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PROPOSED AMENDMENT #3

Matter: Competition in the Provision of Electric Services throughout the State of Arizona

Agenda No. U-1

Docket No.: U-0000-94-165

Open Meeting Date: October 9, 1996

Prepared By: Utilities Division

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1. R14-2-1606(A). Add the underlined language as indicated;

Until the Commission determines that competition has been substantially implemented for a particular class of consumers (residential, commercial, industrial) so that all consumers in that class have an opportunity to participate in the competitive market, and until all stranded costs pertaining to that class of customers have been recovered, each Affected Utility shall make available to all consumers in that class in its service area, as defined on the date indicated in Subsection R14-2-1602, Standard Offer bundled generation, transmission, ancillary, distribution, and other necessary services at regulated rates.

2. R14-2-1606(B). Add paragraph 4 as follows:

4. Consumers receiving Standard Offer service are eligible for potential future rate reductions authorized by the Commission, such as reductions authorized in Decision No. 59601.

3. R14-2-1613(H). Add the following at the end of paragraph H:

Remove { Each Electric Service Provider shall ensure that bills rendered on its behalf, including bills for Standard Offer service, are itemized to show separately at least the following items (if applicable): distribution service, nuclear power plant decommissioning charges associated with System Benefits (if competitive generation is selected), other System Benefits charges (if competitive generation is selected), transmission service, ancillary services, generation service, stranded cost (if competitive generation is selected), and other services (itemized).

4. R14-2-1608(A). Add the underlined word:

By the date indicated in Subsection R14-2-1602, each Affected Utility shall file for Commission review non-bypassable rates or related mechanisms to recover the applicable pro-rata costs of System Benefits from all consumers located in the Affected Utility's service area who participate in the competitive market. In addition, the Affected Utility may file for a change in the System Benefits charge at any time.

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5. R14-2-16⁰~~8~~ (A). Add the following sentence at the end of the paragraph:

✓ The amount collected annually through the System Benefits charge shall be sufficient to fund the Affected Utilities' present, Commission-approved low income, demand side management, environmental, renewables, and nuclear power plant decommissioning programs.